

# WELCOME BACK TO THE AFTERNOON SESSION 2007 BUDGET AND LEVY TRAINING



# Agenda

|                         |            |             |
|-------------------------|------------|-------------|
| School Districts        | 60 minutes | 1:30 – 2:30 |
| Break                   | 15 minutes | 2:30 – 2:45 |
| Morning Review          | 15 minutes | 2:45 – 3:00 |
| New Legislation & Rules | 15 minutes | 3:00 – 3:15 |
| Forms Review            | 45 minutes | 3:15 – 4:00 |

# Your Instructors today are

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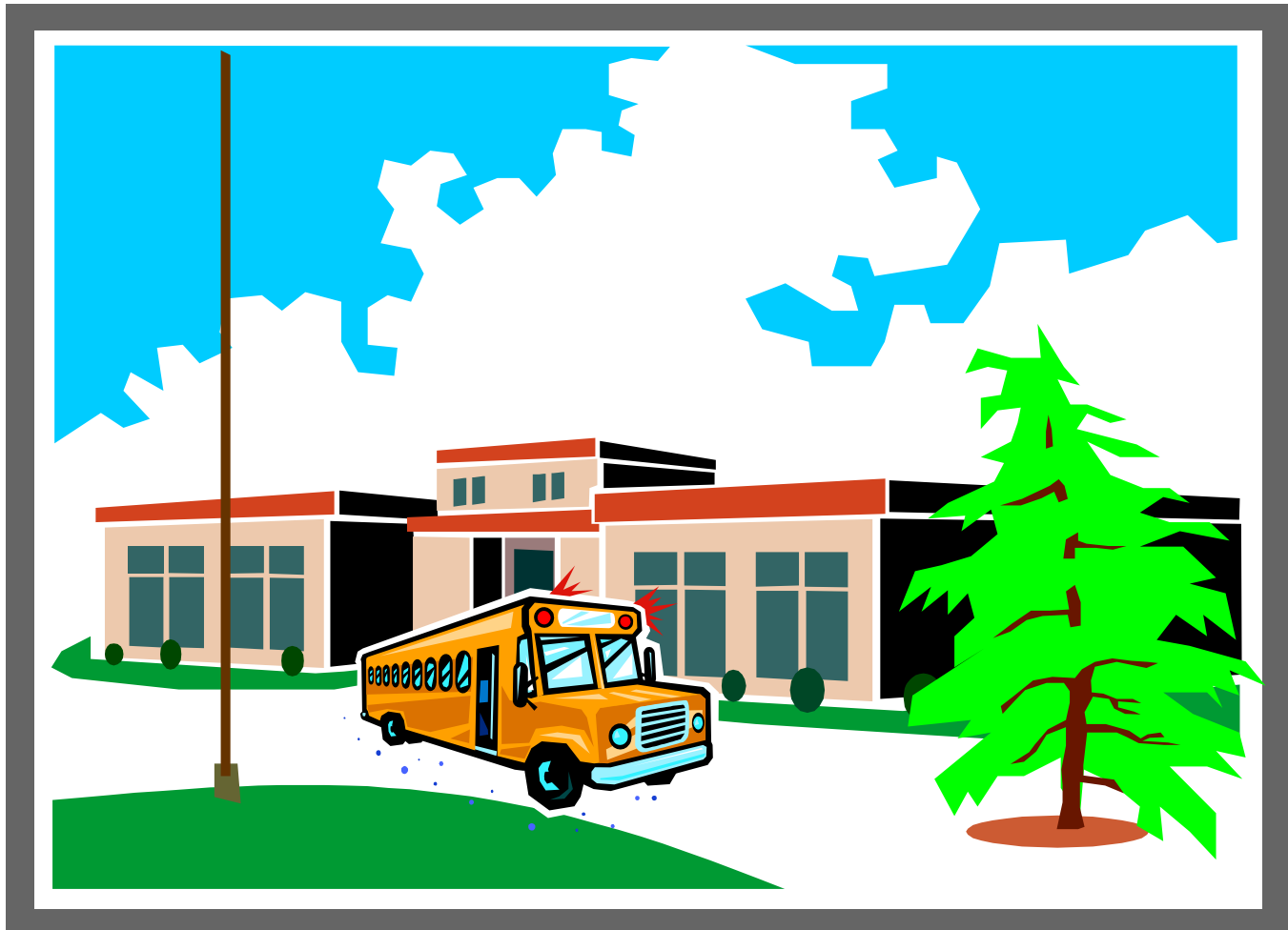
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Tax Commission web page: [tax.idaho.gov](http://tax.idaho.gov)

# School Districts' Property Tax Section



# ROLES AND PLAYERS

## **School District\*:**

1. Had to notify County Clerk(s) of budget hearing date and location by April 30, 2007.
2. Set budget
3. Certify budget to County Commissioners
  1. Due September 6, 2007
  2. Emergency fund due by September 10, 2007.
  3. Request 7 working day extension from County Commissioners.

\* = Includes Charter School Districts but not Charter Schools – which have no independent authority to levy property tax.

# ROLES AND PLAYERS

## **County:**

### County Clerk:

1. Provides value & tax information to Taxing Districts
2. Provides information to County Commissioners
3. Provides information to State Tax Commission

### County Commissioners:

1. Make levy
2. Approve property tax portion of budget
3. Submit levy & approved budget to State Tax Commission (9-17-2007)

# ROLES AND PLAYERS

## State Tax Commission:

- Ratio Study and adjusted values – Boise School District only
- Distribute I.C. § 63-3067 Ag. Equipment Exemption Replacement monies quarterly.
- Review and approve levies.
- Provide training and technical assistance.

# Property Tax Related Terms

**Budget** is stated as dollars (\$)

**Levy** is stated as a percent (%) or a rate (0.12345)

$$\text{Levy} = \frac{\text{Property Tax Dollars}}{\text{Current year's September net taxable value}}$$

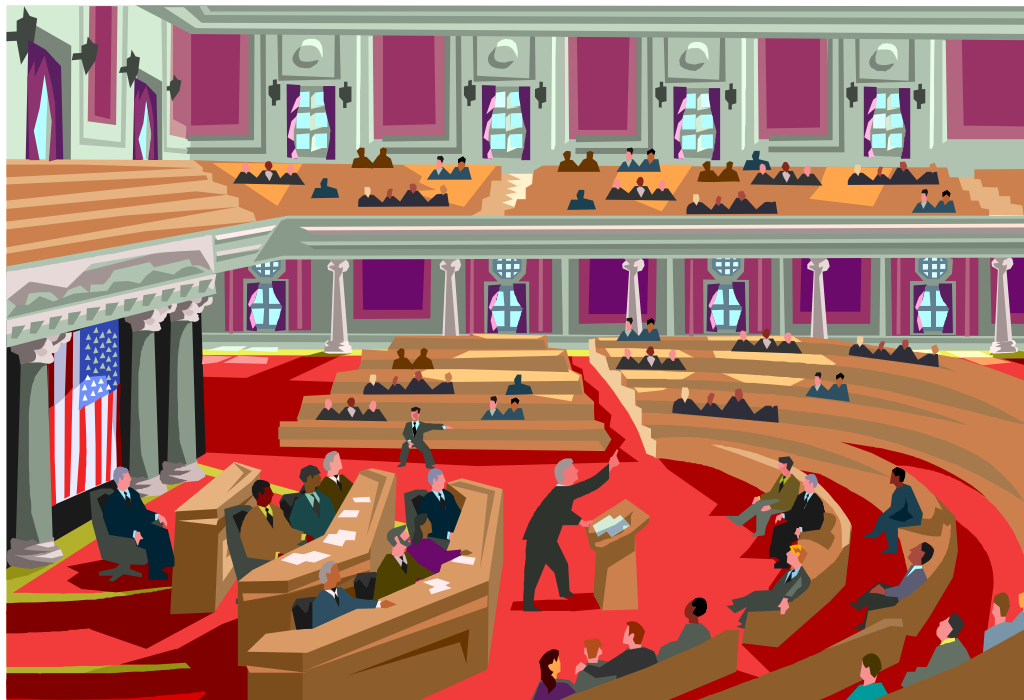
$$\text{Example : } \frac{\$ 100,000 \text{ Budget}}{\$ 200,000,000 \text{ Value}} = 0.0005 \text{ levy rate or } 0.05\%$$



# 2007 Legislation that affects School Districts

- **HB-197**
  - Amends I.C. §63-802 to allow for a “Hypothetical New Construction Roll levy” for use of computing maximum property tax budget subject to 3% cap. Effective 1/1/07.
- **HB-210A**
  - For Bond Capacity, redefines “Market Value for Assessment purposes”:
    - The amount of the last preceding equalized assessment of all taxable property and all property exempt from taxation pursuant to section 63-602G, Idaho Code.
    - Adds the Homeowner’s Exemption value for bonding capacity.
    - Does not change levy calculations which are still based on current year net taxable market value.
  - Effective 4/4/07.

# Changes to School District Property Taxes due to the Property Tax Relief Act passed in August 2006



# Property Tax Relief Act of 2006

## (HB-1 – August 2006)

- Most property tax related School M&O funds were removed from property taxes.
  - 0.003 multiplier plus,
  - 0.001 property tax replacement (capped \$75 million)
- 4 School districts are allowed to levy a Budget Stabilization fund. Blaine #61, Swan Valley #92, Avery #394, and McCall Donnelly #421.
- Boise School district allowed to levy the difference between their M&O multiplier of 0.00664167 and 0.004.
- Actual/Adjusted calendar year end values only required for charter school districts that levied M&O in the prior year. (Boise #1 only).
- Budget Hearing notice non-compliance penalty applies to school tort fund.
- Appropriate agricultural equipment replacement monies eliminated and the annual amount recomputed.
- Tuition fund is exempt from 3% annual increase limit.
- There is no longer an allocation from urban renewal to schools.

# Budget Stabilization Levies

- School districts not receiving state equalization funds in fiscal year 2006 authorized a “Budget Stabilization Levy”
  - #61 Blaine – \$29,521,352
  - # 92 Swan Valley - \$ 133,871
  - # 394 Avery - \$ 177,520
  - # 421 McCall Donnelly - \$ 5,658,712
- These amounts are maximum annual amounts.

# Property Tax Relief Act of 2006

## Agricultural Replacement Money

(HB-1 – August 2006)

- The amount of the agricultural replacement money has been recomputed by reducing the year 2000 total levy by 0.004.
  - In FY2007 1<sup>st</sup> quarter included full original payment; remaining quarterly distributions based on reduced amount.
- “Appropriate Ag Replacement” no longer exists. (Now there is only one amount to deal with.)
- New FY 2008 annual distribution amounts (4 quarters based on reduced amount).
  - Notification 1<sup>st</sup> Monday in May to County Clerks and Department of Education
  - This reduced amount is to be used on your L-2 worksheets filed in September 2007.
- FY 2008 Distribution revised 4/5/2007 next 2 pages.

| <b>District</b><br>Revised: 4/5/2007 | <b>Annual<br/>Agricultural<br/>Replacment \$</b> | <b>Qtrly<br/>Payment<br/>Starting FY08</b> |
|--------------------------------------|--|--|
| Boise Independent #1                 | 4,279.00   | 1,069.75                                   |
| Meridian #2                          | 18,013.00  | 4,503.25                                   |
| Kuna #3                              | 2,069.00   | 517.25                                     |
| Meadows Valley #11                   |  |  |
| Council #13                          |  |  |
| Marsh Valley #21                     | 12,094.00  | 3,023.50                                   |
| Pocatello #25                        | 8,954.00   | 2,238.50                                   |
| Bear Lake #33                        | 2,126.00   | 531.50                                     |
| St Maries #41                        | 3,048.00   | 762.00                                     |
| Plummer Worley #44                   |  |  |
| Snake River #52                      | 157,066.00                                       | 39,266.50                                  |
| Blackfoot #55                        | 28,883.00  | 7,220.75                                   |
| Aberdeen #58                         | 41,646.00  | 10,411.50                                  |
| Firth #59                            | 17,535.00  | 4,383.75                                   |
| Shelley #60                          | 18,695.00  | 4,673.75                                   |
| Blaine #61                           | 2,858.00   | 714.50                                     |
| Garden Valley #71                    |  |  |
| Basin Elementary #72                 | 149.00   | 37.25                                      |
| Horseshoe Bend #73                   | 701.00   | 175.25                                     |
| West Bonner #83                      |  |  |
| East Bonner #84                      | 73.00  | 18.25                                      |
| Idaho Falls #91                      | 95,771.00  | 23,942.75                                  |
| Swan Valley Elementary #92           | 1,076.00   | 269.00                                     |
| Bonneville #93                       | 41,894.00  | 10,473.50                                  |
| Boundary #101                        | 2,092.00   | 523.00                                     |
| Butte County #111                    | 37,567.00  | 9,391.75                                   |
| Camas #121                           | 2,315.00   | 578.75                                     |
| Nampa #131                           | 35,460.00  | 8,865.00                                   |
| Caldwell #132                        | 5,017.00   | 1,254.25                                   |
| Wilder #133                          | 25,627.00  | 6,406.75                                   |
| Middleton #134                       | 12,562.00  | 3,140.50                                   |
| Notus #135                           | 19,426.00  | 4,856.50                                   |
| Melba #136                           | 35,300.00  | 8,825.00                                   |
| Parma #137                           | 49,647.00  | 12,411.75                                  |
| Vallivue #139                        | 86,824.00  | 21,706.00                                  |
| Grace #148                           | 10,294.00  | 2,573.50                                   |
| North Gem #149                       | 5,371.00   | 1,342.75                                   |

| <b>District</b><br>Revised: 4/5/2007 | <b>Annual<br/>Agricultural<br/>Replacment \$</b> | <b>Qtrly<br/>Payment<br/>Starting FY08</b> |
|--------------------------------------|--|--|
| Soda Springs #150                    | 22,469.00  | 5,617.25                                   |
| Cassia #151                          | 140,394.00                                       | 35,098.50                                  |
| Clark #161                           |  |  |
| Orofino #171                         | 4,104.00   | 1,026.00                                   |
| Challis #181                         |  |  |
| Mackay #182                          | 2,793.00   | 698.25                                     |
| Prairie Elementary #191              |  |  |
| Glenns Ferry #192                    |  |  |
| Mountain Home #193                   | 15,459.00  | 3,864.75                                   |
| Preston #201                         | 12,121.00  | 3,030.25                                   |
| West Side #202                       | 9,825.00   | 2,456.25                                   |
| Fremont #215                         | 6,276.00   | 1,569.00                                   |
| Emmett #221                          | 21,763.00  | 5,440.75                                   |
| Gooding #231                         | 21,116.00  | 5,279.00                                   |
| Wendell #232                         | 23,282.00  | 5,820.50                                   |
| Hagerman #233                        | 7,669.00   | 1,917.25                                   |
| Bliss #234                           |  |  |
| Grangeville #241 (dissolved 2007)    |  |  |
| Cottonwood #242                      | 729.00   | 182.25                                     |
| Salmon River #243                    | 1,335.00   | 333.75                                     |
| Mountain View #244                   | 8,243.00   | 2,060.75                                   |
| Jefferson #251                       | 38,534.00  | 9,633.50                                   |
| Ririe #252                           | 20,824.00  | 5,206.00                                   |
| West Jefferson 253                   | 64,660.00  | 16,165.00                                  |
| Jerome #261                          | 52,714.00  | 13,178.50                                  |
| Valley #262                          | 24,091.00  | 6,022.75                                   |
| Coeur d'Alene #271                   | 2,486.00   | 621.50                                     |
| Lakeland #272                        | 3,437.00   | 859.25                                     |
| Post Falls #273                      | 3,162.00   | 790.50                                     |
| Kootenai #274                        |  |  |
| Moscow #281                          | 34,674.00  | 8,668.50                                   |
| Genesee #282                         | 57,693.00  | 14,423.25                                  |
| Kendrick #283                        | 21,284.00  | 5,321.00                                   |
| Potlatch #285                        | 30,387.00  | 7,596.75                                   |
| West Whitepine #287                  | 9,787.00   | 2,446.75                                   |
| East Whitepine #288                  | 2,839.00   | 709.75                                     |
| Salmon #291                          |  |  |
| South Lemhi #292                     |  |  |
| Nez Perce #302                       | 10,146.00  | 2,536.50                                   |

| <b>District</b><br>Revised: 4/5/2007 | <b>Annual<br/>Agricultural<br/>Replacment \$</b> | <b>Qtrly<br/>Payment<br/>Starting FY08</b> |
|--------------------------------------|--|--|
| Kamiah #304                          | 2,308.00   | 577.00                                     |
| Highland #305                        | 3,844.00   | 961.00                                     |
| Shoshone #312                        | 30,114.00  | 7,528.50                                   |
| Dietrich #314                        |  |  |
| Richfield #316                       | 601.00   | 150.25                                     |
| Madison #321                         | 12,848.00  | 3,212.00                                   |
| Sugar Salem #322                     | 33,191.00  | 8,297.75                                   |
| Minidoka #331                        | 76,853.00  | 19,213.25                                  |
| Lewiston Independent #340            | 15,169.00  | 3,792.25                                   |
| Lapwai #341                          | 2,160.00   | 540.00                                     |
| Culdesac #342                        | 8,351.00   | 2,087.75                                   |
| Oneida #351                          | 18,843.00  | 4,710.75                                   |
| Marsing #363                         | 23,958.00  | 5,989.50                                   |
| Pleasant Valley Elementary #364      |  |  |
| Bruneau Grandview #365               | 23,872.00  | 5,968.00                                   |
| Homedale #370                        | 21,535.00  | 5,383.75                                   |
| Payette #371                         | 1,884.00   | 471.00                                     |
| New Plymouth #372                    | 17,270.00  | 4,317.50                                   |
| Fruitland #373                       | 18,430.00  | 4,607.50                                   |
| American Falls #381                  | 74,106.00  | 18,526.50                                  |
| Rockland #382                        | 25,843.00  | 6,460.75                                   |
| Arbon Elementary #383                | 2,770.00   | 692.50                                     |
| Kellogg #391                         | 1,760.00   | 440.00                                     |
| Mullan #392                          | 148.00   | 37.00                                      |
| Wallace #393                         | 237.00   | 59.25                                      |
| Avery #394                           |  |  |

| <b>District</b><br>Revised: 4/5/2007 | <b>Annual<br/>Agricultural<br/>Replacment \$</b> | <b>Qtrly<br/>Payment<br/>Starting FY08</b> |
|--------------------------------------|--|--|
| Teton #401                           | 5,121.00   | 1,280.25                                   |
| Twin Falls #411                      | 3,945.00   | 986.25                                     |
| Buhl #412                            | 14,264.00  | 3,566.00                                   |
| Filer #413                           | 12,953.00  | 3,238.25                                   |
| Kimberly #414                        | 14,727.00  | 3,681.75                                   |
| Hansen #415                          | 10,018.00  | 2,504.50                                   |
| Three Creek #416                     |  |  |
| Castleford #417                      | 7,846.00   | 1,961.50                                   |
| Murtaugh #418                        | 17,451.00  | 4,362.75                                   |
| McCall Donnelly #421                 |  |  |
| Cascade #422                         | 14.00  | 3.50                                       |
| Weiser #431                          | 3,329.00   | 832.25                                     |
| Cambridge #432                       | 8,114.00   | 2,028.50                                   |
| Midvale #433                         |  |  |
| <b>Totals:</b>                       | <b>97,782</b>                                    | <b>24,445.50</b>                           |

# School District L-2 and L-2 Worksheet

- New version was developed to accommodate the changes due to HB-1.
  - Only the revised version will be accepted by STC.
- Property tax replacement money subtracted from your tort fund; then if there is any remaining amount, it must be subtracted from any other available fund(s).
  - Agricultural replacement (Revised 4/5/2007)
  - Homeowner's Exemption recovery
  - Qualified Investment Exemption recapture.



# 2007 Dollar Certification of Budget Request to Board of County Commissioners L-2

## School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be attached)

| <b>District Name:</b>                                |                        |                      |  |   | <b>County(ies):</b>            |                      |                   |
|--|------------------------|----------------------|--|---|--------------------------------|----------------------|-------------------|
| Fund   | Total Approved Budget* | Cash Forward Balance | Other revenue <u>NOT</u> shown in Column 5 | Property Tax Replacement Money (cannot exceed line 12 of L-2 Worksheet) | Balance to be levied           | Calculated Levy Rate | Maximum Levy Rate |
|  |                        |                      |  |   | Col. 2 minus<br>(Cols. 3+4+ 5) | (County Use Only)    | (County Use Only) |
| 1  | 2                      | 3                    | 4  | 5   | 6                              | 7                    | 8                 |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
|  |                        |                      |  |   |                                |                      |                   |
| <b>Subtotal: (non-exempt funds) Total tort fund:</b> |                        |                      |  |   |                                |                      |                   |
| <b>Column Total:</b>                                 | -                      | -                    | -  | -   | -                              | 0.000000000          |                   |

I certify that the amounts shown above accurately reflect the budget being certified in accordance with the provisions of I.C. §63-803.  
 To the best of my knowledge, this district has established and adopted this budget in accordance with all provisions of Idaho Law.

|   |              |             |
|---|--------------|-------------|
| <b>Signature of District Representative</b> | <b>Title</b> | <b>Date</b> |
|---|--------------|-------------|

|   |           |                              |
|---|-----------|------------------------------|
| <b>Please print above: Contact Name and Mailing Address</b> |           | <b>Email Address:</b>        |
| <b>Phone Number:</b>  | (       ) | <b>Fax Number:</b> (       ) |

| Net Taxable Market Value Computation:<br>For County Clerk Use Only |                              |                   |                           |
|--|------------------------------|-------------------|---------------------------|
| County   | New Construction Roll Value: | Annexation Value: | Net Taxable Market Value: |
|  |                              |                   |                           |
|  |                              |                   |                           |
|  |                              |                   |                           |
|  |                              |                   |                           |
| <b>Total Value:</b>  | -                            | -                 | -                         |

| School District L-2 Worksheet (must be attached to the L-2 form)   |      |   |       |      |
|--|------|---|-------|------|
| District Name:   |      |   | Year: | 2007 |
| Computation of 3% budget increase:   |      |   |       |      |
| Enter the highest of the last 3 years approved tort fund.  |      |   | (1)   |      |
| Multiply line 1 by 0.03  |      |   | (2)   |      |
| New Construction & Annexation budget increases:  |      |   |       |      |
| Enter the 2007 value of new construction.  | (3)  |   |       |      |
| Enter the 2007 value of annexation that occurred in 2006.  | (4)  |   |       |      |
| Enter the total 2006 hypothetical new construction levy rate.  | (5)  |   |       |      |
| New Construction budget increase (multiply line 3 by line 5). <sup>↑</sup>   |      |   | (6)   | -    |
| Annexation budget increase (multiply line 4 by line 5).  |      |   | (7)   | -    |
| Maximum Allowable Tort Property Tax Budget:  |      |   |       |      |
| Add lines 1 + 2 + 6 + 7  |      |   | (8)   | -    |
| Total Property Tax Replacement Calculation   |      |   |       |      |
| Enter the annual Agricultural Equipment Replacement money.   | (9)  |   |       |      |
| Enter recovered Homeowner's Exemption property tax here  | (10) |   |       |      |
| Enter recaptured QIE.  | (11) |   |       |      |
| Total lines 9, 10, and 11 here: (Total remittance to be reported col.5 of L-2).  |      |   | (12)  | -    |
| Tort Fund Less Property Tax Replacement:   |      |   |       |      |
| Subtract the amount on line 12 from line 8, if the result is less than zero enter zero on line 13. This is the maximum amount you can levy for your tort fund. |      |   | (13)  | -    |
| Enter the difference from the calculation on line 13 here:   | (14) | - |       |      |
| Any amount on line 14 it must be subtracted from any remaining funds reflected on the L-2.<br>Show this amount in column 5 of the L-2.                         |      |   |       |      |

The "Hypothetical New Construction Levy Rate" is derived by adding the agricultural replacement and the property tax portion of the tort fund as shown on the 2006 L-2 then dividing this total by the September net taxable market value.

# Agricultural Equipment and Other Property Tax Replacement Monies

- For the 3% cap, property tax replacement money is added to the actual amount levied.
- For purposes of the computing the property tax increase from new construction for the 2007 L-2 the property tax portion of the tort fund and **only** the agricultural replacement money, as reported on the 2006 L-2, are added together to produce a “Hypothetical New Construction levy”. The only use for this levy is to compute new construction related allowable property tax increase. (HB-197)

## 2007-2008 BUDGET WORKSHEETS

### TAX CERTIFICATION CALCULATIONS

#### Supplemental Maintenance & Operation Levies

- A. 1. Amount certified for Supplemental M & O 2006-2007 = \_\_\_\_\_
2. Amount proposed for Supplemental M & O 2007-2008 = \_\_\_\_\_
3. Authorizing election held on \_\_\_\_\_; approved levy for \_\_\_\_\_ year(s)  
date
- B. 1. Amount certified for Supplemental M & O 2006-2007 = \_\_\_\_\_
2. Amount proposed for Supplemental M & O 2007-2008 = \_\_\_\_\_
3. Authorizing election held on \_\_\_\_\_; approved levy for \_\_\_\_\_ year(s)  
date

This form has been  
developed by the  
Department of  
Education.

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#### School Plant Facilities Levies

1. Amount certified for School Plant 2006-2007 = \_\_\_\_\_
2. Amount proposed for School Plant 2007-2008 = \_\_\_\_\_
3. Authorizing election held on \_\_\_\_\_; approved levy for \_\_\_\_\_ year(s)
- 

Comments (clarify or explain)

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Return copy of this page to the State Department of Education

Attach to L-2 form and return to your County Clerk no later than the Thursday prior to the second Monday  
of September (September 6, 2007). See Section 63-803, Idaho Code.

# Example of L-2 Worksheet if School's Ag \$ is Less Than Allowable Maximum Property Tax Budget

| School District L-2 Worksheet (must be attached to the L-2 form)   |      |             |       |       |
|--|------|-------------|-------|-------|
| District Name: Sample #1 Ag \$ Less Than Ptax Maximum  |      |             | Year: | 2007  |
| Computation of 3% budget increase:   |      |             |       |       |
| Enter the highest of the last 3 years approved tort fund.  |      |             | (1)   | 1,000 |
| Multiply line 1 by 0.03  |      |             | (2)   | 30    |
| New Construction & Annexation budget increases:  |      |             |       |       |
| Enter the 2007 value of new construction.  | (3)  | 5,000,000   |       |       |
| Enter the 2007 value of annexation that occurred in 2006.  | (4)  |             |       |       |
| Enter the total 2006 hypothetical new construction levy rate.  | (5)  | 0.000045600 |       |       |
| New Construction budget increase (multiply line 3 by line 5).  |      |             | (6)   | 228   |
| Annexation budget increase (multiply line 4 by line 5).  |      |             | (7)   | -     |
| Maximum Allowable Tort Property Tax Budget:  |      |             |       |       |
| Add lines 1 + 2 + 6 + 7  |      |             | (8)   | 1,258 |
| Total Property Tax Replacement Calculation   |      |             |       |       |
| Enter the annual Agricultural Equipment Replacement money.   | (9)  | 1,200       |       |       |
| Enter recovered Homeowner's Exemption property tax here.   | (10) |             |       |       |
| Enter recaptured QIE.  | (11) |             |       |       |
| Total lines 9, 10, and 11 here: (Total remittance to be reported col.5 of L-2).  |      |             | (12)  | 1,200 |
| Tort Fund Less Property Tax Replacement:   |      |             |       |       |
| Subtract the amount on line 12 from line 8; if the result is less than zero enter zero on line 13. This is the maximum amount you can levy for your tort fund. |      |             | (13)  | 58    |
| Enter the difference from the calculation on line 13 here.   | (14) | -           |       |       |

This is the "Hypothetical New Construction Roll levy" computing using information from the 2006 L-2. This levy is to be used only for computing the new construction roll portion of the allowable property tax increase for use in 2007 L-2.

# Example of L-2 if School's Ag \$ is Less Than Allowable Maximum Property Tax Budget

| 2007 Dollar Certification of Budget Request to Board of County Commissioners L-2<br>School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be attached) |                        |                      |  |   |                             |                      |                   |
|---|------------------------|----------------------|--|---|-----------------------------|----------------------|-------------------|
| District Name: Sample #1 Ag \$ Less Than Ptax Maximum   |                        |                      |  | County(ies):  |                             |                      |                   |
| Fund  | Total Approved Budget* | Cash Forward Balance | Other revenue <i>NOT</i> shown in Column 5 | Property Tax Replacement Money (cannot exceed line 12 of L-2 Worksheet) | Balance to be levied        | Calculated Levy Rate | Maximum Levy Rate |
|   |                        |                      |  |   | Col. 2 minus (Cols. 3+4+ 5) | (County Use Only)    | (County Use Only) |
| 1   | 2                      | 3                    | 4  | 5   | 6                           | 7                    | 8                 |
| Tort Fund   | 1,500                  | 142                  | 100  | 1,200   | 58                          |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
| Bond  | 1,300,000              |                      |  |   | 1,300,000                   |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
| Subtotal: (non-exempt funds) Total tort fund:   |                        |                      |  |   |                             |                      |                   |
| Column Total:   | 1,301,500              | 142                  | 100  | 1,200   | 1,300,058                   |                      |                   |

**This example shows how to complete the L-2 if the school district's maximum property tax portion of its tort fund is greater than their agricultural equipment replacement money.**

# Example of L-2 Worksheet if School's Ag \$ is More Than Allowable Maximum Property Tax Budget

|  |      |             |       |       |
|--|------|-------------|-------|-------|
| District Name: Sample #1 Ag \$ More Than Ptax Maximum  |      |             | Year: | 2007  |
| <b>Computation of 3% budget increase:</b>  |      |             |       |       |
| Enter the highest of the last 3 years approved tort fund.  |      |             | (1)   | 1,000 |
| Multiply line 1 by 0.03  |      |             | (2)   | 30    |
| <b>New Construction &amp; Annexation budget increases:</b>   |      |             |       |       |
| Enter the 2007 value of new construction.  | (3)  | 5,000,000   |       |       |
| Enter the 2007 value of annexation that occurred in 2006.  | (4)  |             |       |       |
| Enter the total 2006 hypothetical new construction levy rate.  | (5)  | 0.000045600 |       |       |
| New Construction budget increase (multiply line 3 by line 5).  |      |             | (6)   | 228   |
| Annexation budget increase (multiply line 4 by line 5).  |      |             | (7)   | -     |
| <b>Maximum Allowable Tort Property Tax Budget:</b>   |      |             |       |       |
| Add lines 1 + 2 + 6 + 7  |      |             | (8)   | 1,258 |
| <b>Total Property Tax Replacement Calculation</b>  |      |             |       |       |
| Enter the annual Agricultural Equipment Replacement money.   | (9)  | 1,400       |       |       |
| Enter recovered Homeowner's Exemption property tax here.   | (10) |             |       |       |
| Enter recaptured QIE.  | (11) |             |       |       |
| Total lines 9, 10, and 11 here: (Total remittance to be reported col.5 of L-2).  |      |             | (12)  | 1,400 |
| <b>Tort Fund Less Property Tax Replacement:</b>  |      |             |       |       |
| Subtract the amount on line 12 from line 8; if the result is less than zero enter zero on line 13. This is the maximum amount you can levy for your tort fund. |      |             | (13)  | 0     |
| Enter the difference from the calculation on line 13 here.   | (14) | 142         |       |       |

The difference on line 14 is the difference between the agricultural equipment replacement money and the maximum allowable property tax portion of its tort fund (line 8). The remaining amount is to be deducted from any other funds.

# Example of L-2 Worksheet if School's Ag \$ is Less Than Allowable Maximum Property Tax Budget

| 2007 Dollar Certification of Budget Request to Board of County Commissioners L-2<br>School Districts (the L-2 worksheet and the Voter Approved Fund Tracker must be attached) |                        |                      |  |   |                             |                      |                   |
|---|------------------------|----------------------|--|---|-----------------------------|----------------------|-------------------|
| District Name: Sample #1 Ag \$ Less Than Ptax Maximum   |                        |                      |  | County(ies):  |                             |                      |                   |
| Fund  | Total Approved Budget* | Cash Forward Balance | Other revenue <u>NOT</u> shown in Column 5 | Property Tax Replacement Money (cannot exceed line 12 of L-2 Worksheet) | Balance to be levied        | Calculated Levy Rate | Maximum Levy Rate |
|   |                        |                      |  |   | Col. 2 minus (Cols. 3+4+ 5) | (County Use Only)    | (County Use Only) |
| 1   | 2                      | 3                    | 4  | 5   | 6                           | 7                    | 8                 |
| Tort Fund   | 1,500                  | 142                  | 100  | 1,258   | -                           |                      |                   |
| Bond  | 1,300,000              |                      |  | 142   | 1,299,858                   |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
|   |                        |                      |  |   |                             |                      |                   |
| Subtotal: (non-exempt funds) Total tort fund:   |                        |                      |  |   |                             |                      |                   |
| Column Total:   | 1,301,500              | 142                  | 100  | 1,400   | 1,299,858                   |                      |                   |

This example shows how to complete the L-2 if the school district's maximum property tax portion of its tort fund is less than their agricultural equipment replacement money. Any remaining agricultural replacement money must be deducted from any other remaining funds.



# School Funds and the 3% Cap



# Non-Exempt School District Funds Subject to 3% Cap – I.C. §63-802

The 3% cap applies to the sum of the funds listed below.

**Tort/Liability Insurance:** I.C. §6-927 – no levy limit;  
liability insurance premiums only.

**Migrant Worker:** I.C. §33-803 – 0.001 - If the total M&O and Migrant Worker levy exceeds 0.006 an election for this fund must be held; a majority of the voters must approve the fund.

# Exempt School District Funds

## Not Subject to 3% Cap – I.C. §63-802

**Maintenance & Operation:** I.C. §33-802 – Use the highest of the actual or adjusted prior year's market value multiplied by 0.00364167 (Boise #1 only).

**Budget Stabilization Fund:** I.C. §33-802 Districts not receiving state equalization funds in FY2006 may authorize a budget stabilization levy. (amount cannot be exceeded)

**Plant Facility:** I.C. §33-804 – Up to 0.004 1<sup>st</sup> year only, then only capped based on ballot measure language.

**Safe School Plant Facility:** I.C. §33-804A – Same basic election rules as regular Plant Facilities levy except term is 20 years and must meet certain criteria. Refer to code for details.

**Bond:** I.C. §33-1103 – refer to code for details.

**Judgments:** I.C. §33-802 – refer to code for details.

# Exempt School District Funds Not Subject to 3% Cap – I.C. §63-802

**Cooperative Service Agency (COSA):** I.C. §33-317 – levy limit of 0.001 voter approved for up to 10 years.

**Emergency:** I.C. §33-805 & 63-805 – levy limit of 0.0006; refer to code for details.

**Supplemental (override):** I.C. §33-802 – no limit (up to 2 years except special permanent).

**Tuition:** I.C. §33-1408 – no levy limit

**Judgments:** I.C. §63-1305 - When board of tax appeals or district court orders a refund of any property taxes imposed. (additional 2007 settlements by NW Pipeline and Pacific Corp.).

# Judgment Levy I.C. §63-1305

- The I.C. §63-1305 Judgment Levy is outside the 3% cap and is to be reported as a separate line item on the L-2 form.
  - If you did not levy the full amount in 2006, you may levy any remaining amount in 2007.
  - Contact your county clerk(s) to determine if you have a judgment amount available.
  - New judgments in place for 2007:
    - Northwest Pipeline (appx. \$35,000 total refund less interest).
    - Pacific Corp (appx. \$100,000 total refund less interest).
  - Please take note that Rule 939 limits the levying authority to a 2 year period and any remaining balance less than \$100 would be lost. See copy of rule on the next page.

# List of Counties Effected by 2007 New Judgments

| Northwest Pipeline |
|--------------------|
| Ada                |
| Bannock            |
| Bear Lake          |
| Boise              |
| Canyon             |
| Caribou            |
| Elmore             |
| Gem                |
| Kootenai           |
| Latah              |
| Minidoka           |
| Nez Perce          |
| Owyhee             |
| Payette            |
| Power              |
| Shoshone           |
| Twin Falls         |

| Pacific Corp |
|--------------|
| Ada          |
| Bannock      |
| Bear Lake    |
| Bingham      |
| Bonneville   |
| Butte        |
| Canyon       |
| Caribou      |
| Clark        |
| Elmore       |
| Franklin     |
| Fremont      |
| Gooding      |
| Jefferson    |
| Jerome       |
| Lemhi        |
| Madison      |
| Oneida       |
| Owyhee       |
| Power        |
| Teton        |
| Twin Falls   |

# Rule 939

## I.C. §63-1305 Judgment Levies

**939. Court or Board of Tax Appeals Ordered Refunds or Credits – Levy Restrictions (Rule 939).** (Section 63-1305, Idaho Code). Section 63-1305, Idaho Code allows taxing districts to certify and levy a judgment levy for an amount equal to property tax refunds or credits ordered by a court or the board of tax appeals and to include such amount with amounts certified and levied under Sections 63-802 through 63-807, Idaho Code. For each affected taxing district, the decision to certify and levy such amounts is permissive. For any taxing district to utilize this provision, amounts to be levied must be certified within the two years immediately following the order. Any amount, not certified and levied within that two-year period, is lost. In the second year following the order, the amount remaining will be lost for any taxing district for which such amount is less than \$100.

Sets a 2 year limitation on length of time allowed to levy the judgment amount.

Also sets a minimum amount for the 2<sup>nd</sup> year of \$100.

Effective 3/30/2007

New judgments in place for 2007:

Northwest Pipeline (apx. \$35,000 total refund less interest).

Pacific Corp. (apx. \$100,000 total refund less interest).

5/9/2007

# Plant Facility Fund Notes

## Idaho Code § 33-804 & 33-804A & Rule 801

1. If there is an existing bond, add the hypothetical bond levy and the proposed hypothetical new plant facility fund levy rate together.  
The above levies are hypothetical because they are based on the December 31 value (prior to year of plant facility fund election), not the September value. I.C. §33-804A, extends term to 20 years if conditions are met.
2. If total of hypothetical levies is:
  - A.  $<.2\%$ , 55% voter approval required to pass.
  - B.  $>.2\%$  but  $<.3\%$ , 60% voter approval is required to pass.
  - C.  $\geq .3\%$ , 2/3 voter approval is required to pass.
3. The amount to be raised each year must be specified in the election notice.
4. If election passes the dollar amount to be raised in any year cannot exceed  $.4\%$  multiplied by the December 31 actual value from year prior to the election.



# Calculation of Plant Facility Funds Maximum Budget (I.C. § 33-804)

**Example:** Plant Facility election held in 2007

School district's December 31, 2006 market value is \$500,000,000

$$\begin{array}{r} \$ 500,000,000 \\ \times \quad 0.004 \\ \hline \$ 2,000,000 \end{array}$$

the \$2,000,000 represents the maximum property tax dollars.

Actual levy in any year ***not*** subject to 0.004 limit; for example,

If September 2007 value = \$ 400,000,000

$$\text{Levy} = 0.005$$

**OK**

# Plant Facilities FAQ's

- How many plant facilities levies can a district have?
  - The law and IDAPA Rule 801 indicate that only one (1) plant facility fund can exist at a time. Voters may be asked to increase the length or amount of the existing plant facilities fund.
- Can a school district levy property tax for a second “plant facilities reserve fund levy for safe schools facilities” pursuant to I.C. §33-804A?
  - No. This statute merely sets up conditions under which a plant facilities fund can last for up to 20 years.
- State Authorized Plant Facilities Levy do fall under the aforementioned provisions. See proposed rule 801 next page.

# State Authorized Plant Facilities Levy Rule 801

## Pertinent Part Only

### **801. LIMITATION ON BUDGET REQUESTS -- SPECIAL PLANT FACILITIES FUND LEVY PROVISIONS (RULE 801).**

Sections 63-802, 33-804, and 33-909, Idaho Code. (3-30-07)

**05. Special Reporting Requirements for State-authorized Plant Facilities Levy.** When the state Department of Education certifies a state-authorized plant facilities levy to any county under Section 33-909, Idaho Code, the county clerk shall forward a copy of such certification to the State Tax Commission as an attachment to the L-2 Form described in Rule 803 of these rules and submitted for the affected school district. (3-30-07)

# School Supplemental (overrides)

Provisions outlined in Idaho Code Section 33-802

2 year supplemental (I.C. §33-802(3):

1. Simple majority to approve.

Permanent Supplemental:

1. Has had a supplemental equal to or greater than 20% of the total general maintenance & operation fund for at least seven (7) consecutive years.
2. Must be approved by a simple majority of the district electors voting. (only 4 school districts use this provision).

Permanent Override (I.C. §63-802 funds only):

1. Requires 2/3 majority voter approval
2. Elections held May or November